

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:586
ANSWERED ON:27.04.2001
FILING OF INCOME TAX RETURNS
ADHIR RANJAN CHOWDHURY

Will the Minister of FINANCE be pleased to state:

- (a) whether the number of persons filing Income-Tax returns in the country is very low;
- (b) if so, the reasons therefor;
- (c) whether the income tax authorities have initiated the process of issuing show cause notices to persons who have so far not filed their income tax returns for the assessment year 2000-2001;
- (d) if so, the details thereof; and
- (e) the steps taken by the Government to book those who have not filed their income tax returns in metropolitan cities in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

A statement is laid on the table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO.586 FOR ANSWER ON 27.04.2001

(a) & (b). As of 28.2.2001, there were 2.39 crore tax payers in the country. The number has more than doubled in the preceding five years from 1.17 crore assesseees at the end of the financial year 1995-96. This is because of various measures taken by the Government including introduction of one by six scheme.

The number of tax payers is not low considering the following factors:-

(i) A large number of exemptions/deductions have been allowed to encourage savings and to promote certain welfare measures with the result that even persons having income above the basic exemption limit of Rs.50,000/- per annum may not be required to pay any income tax.

(ii) A large percentage of population is engaged in agriculture which is not taxable.

(c) & (d). Under the provisions of the Income Tax Act, different classes of assesseees have to file their income tax returns by different dates, the last date for assessment year 2000-2001 being 30th November, 2000. However, the assesseees are entitled to file belated income tax returns for the assessment year 2000-2001 upto 31st March, 2002. In the circumstances, steps are not initiated in general against the people who have not filed their returns for assessment year 2000-2001 till the close of the financial year.

However, instructions have been issued to the Chief Commissioners of Income Tax to identify the persons who have not filed their income tax returns, as also those who have stopped filing their returns, and to take appropriate measures wherever required. In fact, in selective big cases show cause notices have been issued.

(e) The procedures for the persons who have not filed their return of income in metropolitan cities is the same as in rest of the country. Persons who do not file returns of income are issued legal notices asking them to file their tax returns. In some big cases of defaulters even prosecution proceedings are initiated.